



Department of Justice

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FRENCH EXECUTIVE INDICTED FOR BRIDGE PROJECTS SCHEME

Bridges in Georgia, Kentucky, Massachusetts, Ohio Affected

WASHINGTON, D.C. -- A federal grand jury in Boston today indicted an executive of a French construction firm -- Freyssinet International et Cie -- for conspiring to rig bids and allocate contracts for the sale of materials and supplies used in the construction of three cable-stayed bridge projects in the United States, the Department of Justice's Antitrust Division and the U.S. Attorneys Office for the District of Massachusetts announced. The three bridges are: Charles River in Massachusetts, Maysville in Kentucky and Ohio, and Sidney Lanier in Georgia.

The one-count felony indictment charged Jean Pierre Cagnat, the former chief executive officer of Freyssinet, with conspiring to rig bids in violation of the Sherman Act from September 1996 until December 1997. The indictment charges that in carrying out the conspiracy, Cagnat and co-conspirators met in London, England and agreed to participate in a bid rotation scheme. They carried out the conspiracy by exchanging price information for upcoming stay cable system bids, and submitting noncompetitive, rigged bids on the projects.

Freyssinet was awarded the stay cable construction contract for the Charles River bridge which is part of the Boston Central Artery Project, known as the "Big Dig."

"Road and bridge construction represents a significant part of federal and state budgets," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division.

“The Antitrust Division will prosecute vigorously anyone who defrauds American taxpayers by dividing market shares, fixing prices, and rigging bids.”

Construction of cable-stayed bridges is a form of specialty construction. The roadway of a cable-stayed bridge is suspended from cables attached to load-bearing towers.

This is the fourth case brought in the Department’s ongoing antitrust investigation of the cable-stayed bridge construction industry.

In September 1999, Freyssinet International et Cie pleaded guilty to rigging bids on cable-stayed bridge projects and was fined \$720,000. Dywidag-Systems International USA Inc. and its former President and CEO, John H. Browning, also pleaded guilty and were fined \$571,000 and \$25,000, respectively, for their participation in the bridge construction conspiracy.

Cagnat is charged with violating Section One of the Sherman Act, which carries a maximum penalty of three years imprisonment and a \$350,000 fine for individuals. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The ongoing investigation involving the specialty construction industry is being conducted by the Antitrust Division’s San Francisco Office, the Federal Bureau of Investigation, and the Department of Transportation, Office of Inspector General in San Francisco.

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